

**Council House Building Programme Phases 2, 3 and 4
Progress Update November 2018****Report by Garry Sheret, Head of Property and Facilities Management****1 Purpose of Report**

To update the Council on the status of the approved sites and propose new sites for the Council building programme.

2 Housing Building Programme and Planned Works**2.1 Council housing programme – Phase 1**

The first phase provided 864 additional houses within Midlothian over a period of 7 years with a total budget of £108,700,000 and is now complete.

2.2 Completed Sites Phase 2

Phase 2 targeted providing a further 412 additional homes within Midlothian with a budget of £63,663,000 funded from the Housing Revenue Capital Account and Scottish Government grant funding. A total of 264 units have been constructed to date.

2.3 Phase 2 sites

The following phase 2 sites have been awarded:

- Site 23 Woodburn Terrace, Dalkeith – 10 homes contractor appointed 2017. Site started August 2018. Completion anticipated
- Site 53 Morris Road, Newtongrange – 79 homes awarded contractor appointed. Site start anticipated January 2019.
- Site 32/34; Newbyres Crescent / Gore Avenue, Gorebridge 75 homes. Contractor appointed. Site start pending approval of methodology for further environmental monitoring.

This revised total of 428 homes exceeds the original target of 412 homes originally planned for Phase 2.

2.4 Phase 3 and 4 sites

Tenders were approved in June 2018 for the following sites and these have been submitted for Planning Approval:

- Site 109 Conifer Road in Mayfield (72 homes).

- Site 115 Castlelaw Terrace in Bilston (8 homes)
- Site 110 Clerk St in Loanhead (28 homes)
- Site 47 Kirkhill Road in Penicuik (21 homes)

The following sites have been investigated and tenders are being prepared:

- Site 39 Crichton Drive in Pathhead (8-10 homes) is to be re-tendered to achieve a more economically advantageous result.
- Site 120 Kirkhill Road in Penicuik (21 homes)
- Site 117 Cockpen Terrace / Hopefield Yard in Bonnyrigg (20 homes)
- Site 122 at 83 High St in Bonnyrigg (20 homes).
- Site 116 Newmills Road (full site area of former Dalkeith High School), Dalkeith (90 homes including extra care housing)
- Site 130 former Newbattle High School site (approximately 220 homes).
- Site 26 Buccleuch St, Dalkeith – (8 social homes plus refurbishment of retail and 6 mid-market rent).
- Site 131 Hopefield Retail site - (20 homes in conjunction with a retail development).

At Site 116 Newmills Road and Site 130 former Newbattle High School it is proposed to use a two-stage tender process with a Design and Build procurement method. The benefit of this is the introduction of the contractor at an earlier stage in the design process using a collaborative approach addressing technical challenges and speedier programme delivery.

A masterplan is proposed for the former Newbattle High School site to identify the options for full housing / RSL developers / mid-market rent opportunities. This will be coordinated with the Learning Estates Strategy.

2.5 Sites for development following Council building closures

- Site 121 Stobhill Depot affordable provision – (70 homes with potential increase to 100 homes).
- Site 114 (St Mary's Primary School), Bonnyrigg (24 homes)
- Site 112 High St (Depot), Bonnyrigg (40 homes)

2.6 Proposed Affordable Housing Provision from External Developers

In order to achieve the target provision of 1,000 homes by 2022 it will be necessary to acquire further land for development and/or develop on Council owned surplus open space.

In addition to this, it is proposed to purchase completed houses from external developers as an additional procurement route to achieve completed homes as soon as possible. A development agreement to purchase the affordable housing provision from Miller Homes has been completed and construction is underway.

Future proposed completed home purchases are located at:

- Site 119 Shawfair site – Miller Homes Ltd (23 homes)
- Site 118 Shawfair site – Bellway (47 homes)
- Site 128 Shawfair site - Mactaggart and Mickel (48 homes)

Further affordable housing may offer opportunities as Council social housing and delivery timescales are subject to applications by external developers and are being monitored.

- Site 134 Paradykes, Loanhead - Barratt Homes (25 homes)
- Site HS2/HS3 North/South Lasswade Road – Dandara Homes developer
- Site ref H46 – Wester Cowden – Bellway / Buccleuch Estates

2.8 Grant Funding

Officers continue to pursue available grant monies to assist in land purchases/construction of Council housing in Midlothian. More detail on grant funding is available in Midlothian's Strategic Housing Investment Plan.

3 Report Implications

3.1 Resource

All the costs of employing the necessary members of staff are included in the project budgets. Resources for the delivery of future sites will be outlined in a separate report.

3.2 Risk

The risk of failure to achieve the Council's target of 1,000 homes by March 2022 due to lack of available sites and availability timescales is being mitigated by the proposed purchase of sites, the purchase of completed houses from Developers and open market acquisitions. It is also proposed to continue the delivery of new homes as quickly as possible by inviting open tenders from a wider number of contractors than previously through the Framework.

3.3 Single Midlothian Plan and Business Transformation

Themes addressed in this report:

- Adult Health Care and Housing
- Sustainable Growth

3.4 Impact on Performance and Outcomes

The proposed works support the Council's Local Housing Strategy and accord with Midlothian Council's Corporate Priorities.

3.5 Adopting a Preventative Approach

Reviewing and utilising different procurement options in order to promote early delivery.

3.6 Involving Communities and Other Stakeholders

Consultations internally and externally continue to be carried out with all appropriate stakeholders ensuring input/comment on the proposed layouts / house types and mix. This will be undertaken for the additional sites.

3.7 Ensuring Equalities

An Equalities Impact Assessment was completed for Midlothian Council's Strategic Housing Investment Plan 2018/19 – 2022/23. This document, which is updated annually, sets out all new affordable housing investment plans in Midlothian (including assessing need and demand for housing including specialist housing provision). This assessment was reported to Council in November 2017.

3.8 Supporting Sustainable Development

The new build housing programme will comply with all current building regulations and follows best practice in line with the Council's policies on the environment.

3.9 IT Issues

Building Information Modelling is being utilised to deliver the projects. Models exist for the generic house types and flat types. It is proposed that these models will be used for the completion of Phase 2, 3 and 4.

4 Recommendations Council is recommended to:

- a) Agree to use a two-stage tender process with a Design and Build procurement method for Site 116 Newmills Road and Site 130 former Newbattle High School.
- b) Agree to use the full extended site area of the former Dalkeith High School for social housing and extra care housing.
- c) Note the content of this report and appended report and the progress made on Phases 1, 2 and 3.
- d) Note the new sites proposed to complete Phase 3 and commence Phase 4.
- e) Note the proposals to acquire houses from private developers.

02 November 2018

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